

February 28, 2013

Ways and Means Committee Hearing Testimony

On behalf of Volunteers of America Delaware Valley, I am writing to ask you to help restore the valuation of donated vehicles to the beginning of the donation process which will amend the federal tax code to restore balance to the laws governing charitable donation of cars and trucks. As you may know, this law was changed in 2004 to address certain abuses, and while some of the changes are good, others have been devastating to charities relying on vehicle donations.

Volunteers of America Delaware Valley is one of 38 affiliates of a national faith-based organization that provides services in 44 states. Our affiliate operates more than 40 programs in Philadelphia and the surrounding counties, the eleven southern counties in New Jersey, and all of Delaware. We serve people who are experiencing homelessness; affordable housing for seniors; programs for people re-entering the community from prison; and people with mental health and developmental disabilities.

As shown in the attached document, we rely heavily on the automobile donation program. The 2004 changes were well-intended and most have worked, but most donors have been frightened away when they realize there's no way to know the tax consequences of the gift ahead of time. Understandably, potential donors go away confused and we lose critical support. A bill like the one that got such strong support last year, HR 860, would address the problem so donors could make an informed decision.

We're writing today to urge you to find a way to move the valuation earlier so the process makes sense to the donor

HR 860 will allow a taxpayer to deduct the fair-market value of their vehicle up to \$2,500, while maintaining the tracking and enforcement provisions intended to end abuses.

Your support is greatly appreciated.

Sincerely,
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